



SF 151 – Rail Transportation (LSB1349SV)

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Fiscal Note Version – As amended and passed by the Senate

Description

Senate File 151, as amended and passed by the Senate, eliminates the Iowa Railway Finance Authority and transfers the responsibilities for the administration of the Rail Revolving Loan and Grant Fund and Passenger Rail Service Revolving Fund to the Department of Transportation. The Bill eliminates a potential appropriation from the Statutory Allocations Fund for the payment of principal and interest on obligations and leases of the Finance Authority. The appropriation, not to exceed \$2.0 million, is available as necessary after the Finance Authority certifies amounts needed, but the funds have not been needed. In addition, the Bill removes the maximum threshold that applies to grants in the Rail Revolving Loan and Grant Program. The Bill expands the Director of Transportation's authorization to enter into agreements related to passenger rail service.

The Bill also allows the Rail Revolving Loan and Grant Fund and the Passenger Rail Service Revolving Fund to retain interest earned as a revenue source for the respective funds.

Background

State funds are pooled together for investing by the Treasurer of State. If not otherwise specified in law, the interest earned on these funds is transferred to the General Fund. Currently, there are 544 funds in the pooled investments and 212 of those funds do not provide interest to the General Fund.

Assumptions

- The balance in the Passenger Rail Service Revolving Fund is \$2,500. This amount has not changed since the Fund was created.
- The balance in the Rail Revolving Loan and Grant Fund as of February 28, 2009, is \$5,292,796.
- The average monthly balance of the Rail Revolving Loan and Grant Fund for FY 2008 is \$6,122,966. The average monthly balance for the last 20 months, July 2007 through February 2009, is \$6,539,454.
- Pooled investments by the Treasurer of State will earn interest at 2.0% for FY 2010.

Fiscal Impact

The fiscal impact for retention of interest in the Passenger Rail Service Fund is negligible. The fiscal impact for retention of interest in the Rail Revolving Loan and Grant Fund will reduce General Fund revenue by an estimated \$106,000 to \$131,000 for FY 2010. Fiscal impact in future years will depend on market conditions and interest earned on pooled investments.

Sources

Department of Transportation
Treasurer of State
I/3 Financial Database

/s/ Holly M. Lyons

March 9, 2009

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56, Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.
